

AMENDED IN SENATE MAY 7, 2014
AMENDED IN SENATE APRIL 22, 2014

SENATE BILL

No. 1268

Introduced by Senator Beall

February 21, 2014

An act to add Chapter 4.3 (commencing with Section 39740) to Part 2 of Division 26 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 1268, as amended, Beall. Natural Resources Climate Improvement Program.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The act authorizes the state board to include *the* use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund.

This bill would establish the Natural Resources Climate Improvement Program, which would be administered by the state board, in

coordination with the Natural Resources Agency, to assist in the development and implementation of highly leveraged, regionally integrated natural resources projects that maximize greenhouse gas emissions reductions or sequestration. The bill would authorize moneys from the Greenhouse Gas Reduction Fund to be available, upon appropriation by the Legislature, to the state board to implement the Natural Resources Climate Improvement Program.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 4.3 (commencing with Section 39740)
2 is added to Part 2 of Division 26 of the Health and Safety Code,
3 to read:

4
5 CHAPTER 4.3. NATURAL RESOURCES CLIMATE IMPROVEMENT
6 PROGRAM
7

8 39740. (a) The Natural Resources Climate Improvement
9 Program is hereby established and shall be administered by the
10 state board, in coordination with the Natural Resources Agency,
11 to assist in the development and implementation of highly
12 leveraged, regionally integrated natural resources projects that
13 maximize greenhouse gas emissions reductions or sequestration.

14 (b) Moneys from the Greenhouse Gas Reduction ~~Fund~~ Fund,
15 created pursuant to Section 16428.8 of the Government Code, shall
16 be available, upon appropriation by the Legislature, to the state
17 board to implement this chapter.

18 39741. (a) The state board, in coordination with the Natural
19 Resources Agency, shall develop guidelines for the implementation
20 of this chapter consistent with the California Global Warming
21 Solutions Act of 2006 (Division 25.5 (commencing with Section
22 38500)) and the Greenhouse Gas Reduction Fund Investment Plan
23 and Communities Revitalization Act (Chapter 4.1 (commencing
24 with Section 39710)).

25 (b) The guidelines adopted pursuant to subdivision (a) shall do
26 all of the following:

27 (1) Ensure that project investments funded pursuant to this
28 chapter utilize consistent accounting and modeling approaches to

1 estimate and monitor greenhouse gas emissions and reductions
2 over time.

3 (2) Promote innovative natural resources projects that protect
4 existing greenhouse gas emissions ~~sinks or assist with the~~
5 ~~enhancement of other climate-related projects in the transportation~~
6 ~~and energy sectors that can be replicated regionally.~~ *sinks.*

7 ~~(3) Promote projects based on the potential to increase climate~~
8 ~~benefits and reduce extreme weather events, including, but not~~
9 ~~limited to, the risk of fire, flood, water supply, sea-level rise, and~~
10 ~~urban heat island effect associated with climate change.~~

11 ~~(4)~~
12 (3) Promote projects that assist the state in reaching its climate
13 goals beyond 2020, consistent with Sections 38550 and 38551.

14 ~~(5)~~
15 (4) Prioritize projects that are consistent with, and assist in, the
16 implementation of county or regional land use greenhouse gas
17 emissions reduction plans or programs, including, but not limited
18 to, any of the following:

19 (A) A sustainable communities strategy, adopted pursuant to
20 Section 65080 of the Government Code.

21 (B) A local or regional plan to reduce greenhouse gas emissions.

22 (C) A local or regional climate adaptation plan.

23 (D) A natural community conservation plan and a habitat
24 conservation plan.

25 ~~(6)~~
26 (5) Ensure projects are consistent with Section 39716.

27 ~~(7)~~
28 (6) Promote investments in projects that include cobenefits,
29 including, but not limited to, ~~state and federal air quality goals.~~
30 *either of the following:*

31 (A) *Climate adaptation or climate change resilience.*

32 (B) *State and federal air quality goals.*

33 ~~(8)~~
34 (7) Ensure projects funded pursuant to this chapter maximize
35 *benefits from* moneys appropriated, provide environmental benefits,
36 create jobs for residents, and do not conflict with other areas of
37 law.

38 ~~(9)~~
39 (8) Promote the use of the best climate science and greenhouse
40 gas emissions reduction analytics.

1 ~~(10)~~

2 (9) Promote project consistency with the 2009 California
3 Climate Adaptation Strategy and its most recent update, adopted
4 pursuant to Executive Order S-13-2008.

5 ~~(11)~~

6 (10) Provide for public participation in the development and
7 adoption of any new grant programs implemented pursuant to this
8 chapter.

9 ~~(12)~~

10 (11) Require any new grant programs implemented pursuant to
11 this chapter to be consistent with and recognize the existing
12 jurisdictions of the implementing agencies.

13 (12) *Ensure greenhouse gas emissions reductions resulting from*
14 *projects funded pursuant to this chapter are not sold as offsets*
15 *through any market-based compliance mechanism that might be*
16 *adopted by the state board pursuant to the California Global*
17 *Warming Solutions Act of 2006 (Division 25.5 (commencing with*
18 *Section 38500)).*

19 (13) *Ensure projects funded pursuant to this chapter are selected*
20 *through a competitive process that is based on greenhouse gas*
21 *emissions reductions and that also considers project cobenefits.*

22 39742. To provide greater coordination among state agencies,
23 boards, and departments, the Natural Resources Agency, in
24 coordination with the state board, shall ~~do all of~~ *to the extent these*
25 *activities facilitate the achievement of greenhouse gas emissions*
26 *reductions*, the following:

27 (a) Provide *annual* updates to the Strategic Growth Council on
28 critical issues related to climate change.

29 (b) Identify and notify state conservancies and the Wildlife
30 Conservation Board regarding major infrastructure projects that
31 would impact ~~project planning and implementation~~ *the planning*
32 *and implementation of projects funded pursuant to this chapter.*

33 (c) Identify and conduct climate research to assist with the state's
34 understanding on how to reduce or sequester greenhouse gas
35 emissions in the natural resources sector.

36 (d) Promote state implementation of the Climate Adaptation
37 Strategy, adopted pursuant to Executive Order S-13-2008.

38 (e) Provide technical assistance grants to project applicants from
39 disadvantaged communities applying for funding from the state
40 conservancies or the Wildlife Conservation Board.

1 39743. (a) State conservancies and the Wildlife Conservation
2 Board shall identify, develop, and implement projects within their
3 jurisdictions consistent with the guidelines developed pursuant to
4 this chapter, including, but not limited to, any of the following:

5 (1) Management and restoration of public lands to increase
6 carbon sequestration and reduce greenhouse gas emissions.

7 (2) Development and implementation of projects and programs
8 that encourage or provide incentives for increased carbon
9 sequestration or reduced greenhouse gas emissions related to the
10 use or management of natural resources on private lands.

11 (3) Provide incentives for the protection of agricultural and open
12 space lands to reduce greenhouse gas emissions and preserve
13 carbon sequestration potential.

14 (4) Fund investments in projects that use natural systems,
15 including, but not limited to, forests, wetlands, sustainable
16 agriculture, and urban forests, to reduce greenhouse gas emissions
17 or increase the sequestration of carbon to mitigate the impacts of
18 greenhouse gas emissions and create greater climate resiliency.

19 (5) Fund the research and development of methods to increase
20 carbon sequestration and decrease greenhouse gas emissions related
21 to the use and management of natural resources and of methods
22 to measure and verify these climate benefits.

23 (6) Encourage the diversion of organic waste to bioenergy and
24 composting.

25 (b) In evaluating potential projects to be funded pursuant to this
26 chapter, the state conservancies and the Wildlife Conservation
27 Board shall give priority to projects that demonstrate one or more
28 of the following characteristics:

29 (1) Regional implementation.

30 (2) The ability to leverage additional public and private funding.

31 (3) The potential for cobenefits or multibenefit attributes.

32 (4) The potential for the project or program to be replicated.

33 (5) The use of existing programs.

34 (6) Consideration of geographic and socioeconomic issues.